



**A STUDY ON THE IMPLEMENTATION OF ECONOMIC
ORDER QUANTITY (EOQ) AT RADICARE (M) SDN BHD
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ABSTRACT

The objective of this research is to study the implementation of Economic Order Quantity (EOQ) at Radicare (M) Sdn Bhd Temerloh Branch. This research is more focusing on Lamp Fluorescent PLL 36 watt which is engaged with the shortage problem. This item is important for company's operation as it categorized as a fast moving item because the usage of the item for hospital facilities maintenance is very high. From the researcher opinion during the practical training period, the researcher aware that there is lack of awareness from management regarding inventory cost where they are more focusing on other matters. The purpose of doing this study is to determine the economic order quantity of the subject item in order to find the optimal quantity orders thus to calculate the total annual inventory cost. The researcher finds the optimal order quantity for the subject item is 518 units. For the total annual inventory cost, it has been estimated in this study for RM 43483.60, the expected number of order per year is 6, and the expected number between orders is 52 days. The conclusion from this study is with the proper EOQ techniques, the management could have an optimal quantity number per order instead of inconsistency quantity orders in current practice. The management also could have the estimation cost for inventory management in order to minimize the excessive cost thus maximize the profit.